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F314UNITED STATES DEPARTMENT OF AGRICULTURE
FEDERAL CROP INSURANCE CORPORATIONAugust 8, 1948 *ie 1947*FCI WHEAT HANDBOOK FOR THE AGENT^o
1948 ANNUAL PROGRAM

This handbook is designed to assist you as an agent in selling wheat crop insurance covering the 1948 crop year. In order to successfully sell insurance, a thorough working knowledge of the program as it affects the individual producer is essential. Toward this end it is intended that this handbook shall accomplish three main objectives; First, it sets forth your duties and responsibilities to the wheat producers as well as to the Corporation. Second, it provides you with an outline of the provisions of the new program with emphasis placed on their interpretation from the producer's standpoint. Third, it furnishes examples for your guidance in the preparation of the forms connected with the job of selling crop insurance.

It should be remembered that this handbook is not a substitute for the official regulations, which contain provisions of the 1948 wheat crop insurance contract. Therefore, it is essential that you thoroughly familiarize yourself with the "Regulations for Annual Contracts covering the 1948 Crop Year" and the application before attempting to discuss the program with a prospective applicant.

SECTION I. YOUR DUTIES AND RESPONSIBILITIES AS A CROP INSURANCE AGENT

You have been selected as an agent to sell crop insurance to wheat producers in your area or county. If you are assigned a definite area, it is your duty as a crop insurance agent to contact personally all uninsured wheat producers in this area. If a definite area is not assigned, you should contact personally as many uninsured wheat producers as possible throughout the county. Personal contact is the best method of selling. As a rule, prospects for insurance do not seek the agent; it is the agent's job to seek the customer.

Your success as an agent depends upon your approach to the producer and the explanation you give concerning the program. It is your responsibility to properly explain the program so that no misunderstanding will arise concerning any part of the contract, or the amount of protection. Any erroneous information or failure to give important information will lead to dissatisfaction with the crop insurance program. You cannot change or waive any of the terms or conditions of the contract.

You should be certain that all applications secured by you are complete and correct and are forwarded daily to the office of the county association together with the Agent's Sales Report and any checks, postal notes, or money orders representing premium payments collected. All signatures shall be affixed in accordance with the instructions contained in the revised ACP-16, "Instructions on Signatures and Authorizations." Special attention should be given in those cases where a person signs an application in a representative capacity.

SECTION II. GENERAL PROVISIONS OF THE ANNUAL WHEAT CROP INSURANCE PROGRAM FOR 1948

A. The Application and the Contract

1. An application may be submitted by a landlord, owner-operator, or tenant to cover his interest in a wheat crop. The application will cover all the wheat seeded on all insurable farms considered for crop insurance purposes to be located in the county, but it does not cover any acreage which is designated as "non-insurable" on the crop insurance map on file in the county office. The application will not cover any farm which, for crop insurance purposes, is not considered as located in the county.
2. It is important for you, as an agent, to understand what constitutes an insurance unit since it is on this basis that losses are settled. An insurance unit will include (a) all of the acreage in the county in which the insured has 100 percent interest in the crop, or (b) all the acreage in the county which is operated by the insured and which is owned by one person, or (c) all of the acreage in the county which is owned by the insured and rented to one share tenant. For the purpose of determining the land constituting an insurance unit, cash rented land or land rented for a fixed commodity rent shall be considered as being owned by the lessee.
3. A separate application must be submitted by each person who desires insurance on some farms in a personal capacity and on other farms in a fiduciary or representative capacity. For example, a person who desires insurance on his own farm and also on another farm for which he is acting as administrator of an estate, must submit separate applications. Also, separate applications must be submitted by each person who desires insurance on some farms in an individual capacity and on other farms in a partnership capacity.
4. A contract shall be in effect upon acceptance of a producer's application by the Corporation.

Acceptance by the Corporation of an application for an annual wheat contract covering the 1948 crop year will automatically cancel any 3-year wheat contract held by the insured in the county.

5. Applications for insurance must be submitted to the agent or to the county office on or before the closing date for filing applications in the county or before the beginning of seeding, whichever is earlier.
6. Since the agent cannot change or waive any of the terms or conditions of the contract, he should be very careful in quoting the coverages and premium rates to prospective applicants. The official coverages and premium rates for each insurance unit are on file in the county office.

7. The insured's copy of the accepted application and a copy of the regulations will be mailed to him by the Corporation.
8. The right to an indemnity may be assigned by the original insured as security for a loan or other obligation by the use of a Form FCI-20 - "Collateral Assignment." The assignment may be filed in the county office at the time the application is filed or any time thereafter as long as the original insured retains an interest in the insured crop. Only one collateral assignment will be recognized at any one time in connection with an insurance contract. In case an assignment is released by the assignee, another assignment may be filed by the original insured. A transferee cannot assign his right to an indemnity.

B. When Insurance Begins and Ends - What it Covers

1. Insurance on insured acreage begins when the crop is seeded.
2. Insurance ends upon combining or threshing (unless combined and field-sacked and remaining in the field, in which event the insurance will not end until 120 hours thereafter) or removal from the field but in no event will the Corporation be liable for losses occurring after October 31, 1948, unless such date is extended in writing by the Corporation.
3. The insurance covers all spring and winter wheat seeded for harvest as grain. However, an application filed after the applicable closing date for winter wheat will not cover any acreage of the 1948 winter wheat crop. Neither will it cover any acreage of the 1948 spring wheat crop which is seeded on uninsured winter wheat acreage except whole fields of such acreage, or parts of such acreage with definite boundaries, which are reworked and seeded to spring wheat and a full seeding of spring wheat is made.
4. The insurance covers loss of wheat while in the field due to practically all unavoidable causes, including drought, flood, hail, wind, frost, winter-kill, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant diseases, and any other unavoidable causes approved by the Corporation.
5. The insurance does not cover avoidable losses, or losses due to neglect, theft, use of defective seed, over-pasturage, failure properly to seed, care for, or harvest the crop, etc.

C. Protection Increases as Crop Progresses

For wheat contracts written since the 1945 wheat program, a provision is included which provided for the amount of protection to increase as the wheat crop progressed. A similar provision is included in the

one-year contract covering the 1948 crop year.

Under this annual contract, any insured acreage of wheat which is released by the Corporation and seeded to a substitute crop (as defined in section 418.2043 of the Wheat Crop Insurance Regulations for Annual Contracts covering the 1948 Crop Year), the coverage per acre for such acreage will be 50 percent of the applicable number of dollars shown on the 1948 table of area coverages and premium rates. For all other acreage which is not harvested, the coverage will be the applicable number of dollars shown on the 1948 table of area coverages and premium rates. For acreage which is harvested the coverage will be the applicable number of dollars shown on the 1948 table of area coverages and premium rates, plus \$1.60.

D. Premiums

1. The premiums collected are used only to pay losses, since the cost of administering the program is paid by the Federal Government.
2. By signing the application for crop insurance, the applicant executes a note for payment of the premium. The maturity date of the premium note is set forth in the Regulations and is about harvest time, but the premium may be paid at any prior time.
3. Promptly after seeding, the insured must submit a report (on a form provided by the county office) of the wheat acreage seeded for harvest as grain on each of his farms. If the insured fails to submit this seeded acreage report within 30 days after completion of seeding the wheat crop, the Corporation may charge him \$2.00.
4. The annual premium will be based upon: (a) the insured acreage, (b) the premium rate, and (c) the insured interest in the crop at the time of seeding. The minimum annual premium for a contract is \$5.00.
5. The premium for an insurance unit will be reduced by 1 percent when 25 acres, but less than 75 acres of wheat are seeded. A further reduction of 1 percent will be made for each additional 50 acres of wheat seeded until the maximum of a 20 percent premium reduction has been reached for any one insurance unit. The following table shows the percent reduction in the premium amount for specified acreages:

<u>Acre</u> s	<u>Reduction in Premium Amounts</u>
0 to 24.9	No reduction
25 to 74.9	1 percent
75 to 124.9	2 percent
125 to 174.9	3 percent
175 to 224.9	4 percent
225 to 274.9	5 percent
275 to 324.9	6 percent
325 to 374.9	7 percent
375 to 424.9	8 percent
425 to 474.9	9 percent
475 to 524.9	10 percent
etc	
975 and over	20 percent

6. After acreage reports are received, the Corporation will compute premiums and notify insured producers of the amount due.
7. Payment of the premium on an estimated basis at the time the application is signed may be accepted by the agent. However, payment to the agent must not be in cash but may be by check, postal note, money order, or bank draft, payable to the order of the Treasurer of the United States. Cash payments may be made at the county office. Premium payments accepted by the agent shall be delivered to the county office which will send a Form FCI-13, "Receipt," to the applicant for each collection made by the agent.
8. The premium bears no interest before maturity. Interest at the rate of one-half of one percent per month or portion thereof, beginning at maturity, will be charged on any portion of the premium which is not paid within two calendar months after maturity.

D. Payment of Indemnities

Any indemnity due under the contract will be paid by issuing a check payable to the person entitled to the indemnity.

F. Minimum Participation Requirement

The Federal Crop Insurance Act provides that the Corporation cannot accept applications for insurance until the minimum participation requirement for the county is met. The minimum participation requirement for each county will be established by the Corporation and the county office will be notified of the minimum number of farms required to be covered by insurance. The applications on file and all existing wheat contracts in the county which will remain in effect for the 1948 crop year will count toward meeting this minimum. If it is not met, all applications submitted for the 1948 crop year will have to be rejected by the Corporation.

G. Damage to or Loss of Crop Before it is too Late to Reseed

If it becomes evident that a stand of wheat on any acreage will not be obtained without reseeding and it is practicable to reseed, or if any acreage of wheat is destroyed or substantially destroyed and it is practicable to reseed, such acreage will not be insured acreage unless it is reseeded to wheat. No premium will be due on such acreage.

H. Damage to or Loss of Crop After it is too Late to Reseed

1. If the wheat crop on any acreage is destroyed after it is too late to reseed to wheat and a farmer desires to make other use of such acreage, he should promptly notify the county office and request an inspection and a release of the acreage. An adjuster will make the inspection for the Corporation and any such acreage should not be put to another use unless it is released by the adjuster.
2. If the wheat crop on any acreage is damaged to the extent that a loss under the contract is probable, the farmer should notify the county office promptly after such damage but in any event before the beginning of harvest or other use is made of the land. If, after completion of threshing, a loss has occurred, the producer must notify the county office within 10 days in order that the Corporation may adjust the loss promptly. This notice must be given even though a notice of damage was given prior to threshing.
3. The amount of loss for which indemnity will be payable with respect to any insurance unit will be the amount of insurance under the contract for such unit, less the number of dollars determined by multiplying the total production (including appraisals) in bushels by \$1.60 and by the insured interest in the crop. Volunteer wheat,

other volunteer small grains, volunteer vetch, and volunteer Austrian winter peas and volunteer dry edible peas growing with the seeded wheat crop, and small grains seeded with the growing wheat crop on acreage not released by the Corporation will be counted as production of wheat. Where threshed wheat is so badly damaged (due to insured causes) that it is unmerchantable (as defined in Section 418.2043 of the Regulations) the number of bushels to be counted as production from the unit will be determined by dividing the salvage value of the unmerchantable production, as determined by the Corporation, by \$1.60.

If the seeded acreage on the insurance unit exceeds the insured acreage, the loss computed on the basis of the seeded acreage will be reduced proportionately.

I. Transfer of Interest

1. If all or any part of the insured wheat crop is transferred to another person, the transferor should notify the county office promptly in writing.
2. In case of a transfer prior to the beginning of harvest, the indemnity, if any, will be payable to the person or persons having the insured interest in the crop at the time of loss but is subject to a deduction for the premium. Any outstanding collateral assignment made by the original insured will be paid before the transferee receives any payment.
3. The original insured will be responsible for the payment of the entire premium.

J. Hail or Fire Insurance

The amount of loss under a Federal Crop Insurance contract will not be reduced due to the fact that the insured farmer is indemnified under a hail or fire insurance contract on his wheat crop.

Hail or fire insurance and Federal Crop Insurance are not competitive. In the first place, hail or fire is a single risk while Federal Crop Insurance covers essentially all unavoidable risks. In the second place, hail or fire insurance indemnities are based on the percentage of damage to the crop whereas under Federal Crop Insurance an indemnity is paid if the crop remaining after damage thereto is less than the guaranteed coverage. Premium costs are not comparable because the protection offered is entirely different.

K. What is Required of a Producer

1. File an application with the agent or in the county office on or before the closing date. The closing date is the applicable closing date for the county set forth in the Regulations or the time when the applicant begins to seed wheat, whichever is earlier.

2. Promptly after seeding, the insured is to submit on an acreage report form (provided by the county office) a report of the wheat acreage seeded on each farm in the county on which he has a share in the wheat crop at the time of seeding, and his share therein. If the insured does not seed wheat the acreage report, nevertheless, shall be submitted promptly after the seeding of wheat is generally completed in the county.
3. The contract provides that the insured must plant, care for and harvest the crop in accordance with good farming practices.
4. If all or any part of the insured wheat crop is transferred to another person the transferor should so notify the county office promptly in writing.
5. The insured must report immediately to the county office any material damage to the crop from causes insured against which may result in a loss under the contract. Within 10 days after threshing, the insured must notify the county office in writing if a loss has occurred. Insured acreage may not be put to another use until a release in writing is given by an adjuster or other authorized Corporation representative.

AGENT'S SALES REPORT

The agent's sales report should be prepared by the agent in an original and one copy. Following is an example of how the report should be prepared.

* * * * *

UNITED STATES DEPARTMENT OF AGRICULTURE Federal Crop Insurance Corporation

Form FCI-1
(Revised May 1945)

AGENT'S SALES REPORT

Sheet 1 of 1 Sheets

State KANSAS

WHEAT

(Name of Crop)

County SALINE

Name of Applicant (A)	Address of Applicant (B)	Farm Serial No. 1/ (C)	Relation-ship to farm 2/ (D)	Identifi-cation No. 3/ (E)	Remarks (F)
Joe Brown	Rt. 1, Salina, Kans	100	owner-operator		
" "	" " "	101	Landlord		
John Doe	Rt. 1, Salina, Kans	101	share-tenant		Joe Brown
Joe J. Doe	Rt. 1, Salina, Kans	1397	owner-operator		
" " "	" " "	1865	Cash-tenant		John Smith

- 1/ List the farm serial number for each farm in the county on which the applicant has an interest in the crop to be insured.
- 2/ State whether the applicant is landlord, owner-operator, cash tenant, share tenant or sharecropper. If the applicant is a tenant or sharecropper, give the landlord's name in the "Remarks" column.
- 3/ The entries for this column will be made in the county office upon receipt of Form FCI-1 from the agent.

August 15, 1947
(Date)

Agent's signature Richard Roe

* * * * *

The original of the agent's sales report shall be forwarded to the office of the county association each day, together with all copies of the signed applications and any premiums collected. The copy of the report shall be kept by the agent.

Entries in these spaces will be made in county office after the application is signed. Name should agree with applicant's signature.

Name and address of Applicant:

Name

(Type or print)

(State and County Code and Application Number)

Address:

(Type or print)

(County)

(State)

APPLICATION FOR WHEAT CROP INSURANCE

(Pursuant to the Federal Crop Insurance Act, as amended)

A. This application covers the crop year 19__.

Enter "48" in this space.

B. The undersigned applicant hereby applies to the Federal Crop Insurance Corporation (herein called "the Corporation") for insurance to cover his interest as landlord, owner-operator, or tenant in the wheat crop to be seeded for harvest as grain in the crop year covered by this application. This application covers all insurance units considered for crop insurance purposes to be located in the county designated above in which the applicant has an interest at the time of seeding. The insurance shall cover loss of wheat in the field due to unavoidable causes, as provided in the Wheat Crop Insurance Regulations (herein referred to as the "Wheat Regulations") for annual contracts covering the crop year indicated in item A above. It is understood and agreed that this application, when accepted by the Corporation, and the Wheat Regulations, including any amendments thereto, constitute the insurance contract. It is further understood and agreed that no terms or conditions of the contract (including this application and the "Wheat Regulations") shall be waived or changed except as authorized in writing by a duly authorized officer of the Corporation.

C. The coverage(s) and premium rate(s) per acre for each insurance unit covered by contract shall be those established by the Corporation and shall be on file in the office of the county association unless otherwise specified by the Corporation.

D. The undersigned applicant further agrees to follow recognized good farming practices, and to properly prepare the land, seed and care for the wheat crop and to submit an acreage report promptly after seeding is completed.

E. NOTE FOR PREMIUM.--The undersigned applicant promises to pay to the Corporation, on or before the applicable maturity date specified in the Wheat Regulations, the amount of premium in cash due from him under the contract, with interest after maturity on any unpaid portion thereof at the rate of one-half of one percent for each calendar month or fraction thereof, except that no interest will be charged on any amount that is paid within two calendar months after maturity.

(Continued on next page)

Any unpaid amount of this note (either before or after the maturity date) may be deducted from any indemnity payable under the contract, from the proceeds of any commodity loan, and from any payment to the insured under the Soil Conservation and Domestic Allotment Act, as amended, or any other act of Congress or program administered by the United States Department of Agriculture.

Be sure to enter date of signature

Signature should be in ink or indelible pencil

Agent must sign as witness; a second witness is required by some states if applicant's signature is by mark.

19

(Date)

(Signature of Applicant)

(Witness to Applicant's Signature)

F. RECOMMENDATION AND CERTIFICATION BY CORPORATION REPRESENTATIVE OR BY THE COUNTY COMMITTEE.--The undersigned Corporation representative or a member of the County Agricultural Conservation Committee on behalf of such Committee, recommends acceptance of this application and certifies that, to the best of his knowledge and belief, the application has been submitted in accordance with the provisions of the Wheat Regulations and amendments thereto, and that, if the signature of the applicant in Item E has been affixed by a person who signed as fiduciary or agent, such person had authority to act in such capacity.

19

(Date)

(Signature of Corporation representative or a county committeeman)

G. ACCEPTANCE BY THE FEDERAL CROP INSURANCE CORPORATION.--It is understood and agreed that upon acceptance of the application by a duly authorized representative of the Corporation, as evidenced by his approval below and notation thereof to the applicant, the insurance contract shall be in effect, provided the application has been submitted in accordance with the provisions hereof and the Wheat Regulations, including any amendments thereto.

THE FEDERAL CROP INSURANCE CORPORATION

19

(Date)

By

(Authorized representative)

(Note: All checks, bank drafts, postal notes, and money orders in payment of crop insurance premiums or indebtedness shall be made payable to the TREASURER OF THE UNITED STATES. Payment in cash shall be made only at the office of the county association or other office specified by the Corporation.)

